

ANAHEIM UNION HSD

SHORT TERM DISABILITY

YOUR PLAN PAYS A MONTHLY DISABILITY BENEFIT

66⅔% of your Monthly Compensation not to exceed: (1) a maximum covered Monthly Compensation of \$7,500.00; (2) the amount for which premium is being paid. If applicable, your Disability Benefit will be reduced by Deductible Sources of Income.

MONTHLY PREMIUM

\$0.20 per \$100 of covered monthly salary.

ELIGIBILITY

All permanent employees currently specified by the employer, association, or collective bargaining agreement.

WHEN COVERAGE BEGINS

Certificates will become effective on the requested effective date following the date you become eligible, providing your employer has paid all applicable premiums.

BENEFITS BEGIN

On the 61st day of Disability or after the end of accumulated sick leave, whichever is greater, due to a covered Injury or Sickness.

BENEFITS ARE PAYABLE

Benefits are payable up to 2 years for a covered Injury or Sickness.

MINIMUM DISABILITY BENEFIT

The minimum Monthly Disability Benefit is 10% of the Monthly Disability Benefit or \$100.00, whichever is greater.

IF YOU ARE DISABLED DUE TO A COVERED DISABILITY AND NOT WORKING

Your Disability Payment will be the Disability Benefit described in the Schedule less any Deductible Sources of Income you receive or are entitled to receive. No Disability Payment will be provided for any period in which you are not under the regular and appropriate care of a physician.

INCREASE OF INCOME DUE TO COST OF LIVING ADJUSTMENTS

The Disability Payment will not be reduced due to a cost of living increase if the increase from a Deductible Source of Income takes effect after the onset of Disability and while benefits are payable under the Policy.

ACCIDENTAL DEATH BENEFIT

A lump sum of \$10,000.00 will be paid if you die as the direct result of an Injury and death occurs within 90 days after the Injury.

The benefit will be increased 1% for each full month that your Certificate was continuously in force just prior to death. The total increase shall not be more than 60% of the benefit amount.

PHYSICIAN EXPENSE BENEFIT

- Injury - \$75.00 per Injury
- Sickness - \$25.00

If you need personal treatment by a Physician due to an Injury or Sickness, we will pay the amount shown above provided no other claim has been paid under the Policy. This benefit will be paid for Sickness only if the treatment is received during one full day of Disability during which you missed one full day of work. To be eligible for more than one payment for the same or related condition due to Sickness, you must have returned to Active Employment for at least 14 consecutive scheduled workdays. You are not required to miss one full day of work in order to receive the Injury benefit.

OFFSETS WITH OTHER SOURCES OF INCOME

Deductible Sources of Income include:

(a) other group disability income. (b) Governmental or other retirement system, whether due to Disability, normal retirement or voluntary election of retirement benefits. (c) United States Social Security Act or similar plan or act, including any amounts due your dependent(s) on account of your Disability. (d) State Disability. (e) Unemployment compensation. (f) Substitute differential pay. We reserve the right to estimate these Deductible Sources of Income that you may receive as defined in your Certificate.

If we determine that you may qualify for certain of the benefits listed above, we may estimate the amount of benefits you may be entitled to receive.

DISABLED WHILE WORKING: RETURN TO WORK INCENTIVE BENEFIT

We will provide a Disability Payment if you are Disabled and your monthly Disability Earnings, if any, are less than 20% of your Monthly Compensation due to the same Disability.

If you are Disabled and your Disability Earnings are greater than 20% of your Monthly Compensation due to the same Disability, we will figure your payment as follows:

During the first 12 months of payments while Disabled and Working:

- Your Disability Payment will not be reduced as long as the Disability Earnings plus the gross Disability Benefit does not exceed 100% of your Monthly Compensation.
- If the Disability Earnings plus the gross Disability Benefit exceeds 100% of your Monthly Compensation, the Disability Payment will be reduced by the amount exceeding 100% of your Monthly Compensation.

After 12 months of payments, while Disabled and Working, you will receive payments based on the percentage of Monthly Compensation you are losing due to Lost Earnings based on your Disability.

We will stop payments and your claim will end, if at any time you are no longer Disabled or if your Disability Earnings exceed 80% of your Monthly Compensation. The Elimination Period cannot be satisfied with days you are Disabled and Working.

SURVIVOR BENEFIT

An eligible survivor will be paid a lump sum benefit equal to 3 times the Disability Payment if, on the date of your death:

- the Disability had continued for 180 or more consecutive days and
- you were receiving or were entitled to receive payments under the Policy.

If there are no eligible survivors, no payment will be made.

ACCELERATED SURVIVOR BENEFIT

A lump sum benefit equal to 3 times the Disability Payment may be paid if you have a terminal illness and you qualify for an accelerated Survivor Benefit. Election of this benefit will result in the Survivor Benefit not being paid upon death.

WAIVER OF PREMIUM

No premium payments are required while you are receiving payments under the plan after Disability Payments have been received under the plan for 180 consecutive days. We will require proof on an annual basis that you remain Disabled during this time.

SUCCESSIVE DISABILITIES

Disabilities which result from the same or related causes will be considered one period of Disability unless the Disabilities are separated by your return to Active Employment or any other gainful occupation for at least 3 consecutive months.

If you reside in a state other than your employer's state of domicile, where required by law, policy provisions and benefits may vary.

EXCLUSIONS

The Policy does not cover any loss, fatal or non-fatal; resulting from intentionally self-inflicted injury while sane or insane; an act of war, declared or undeclared; Injury sustained or Sickness contracted while in the service of the armed forces of any country; committing a felony; penal incarceration (We will not pay benefits for Disability or any other loss for any period for which you are incarcerated in a penal or correctional institution for a period of 30 consecutive days or longer); or Injury or Sickness arising out of and in the course of any occupation for wage or profit or for which you are entitled to Workers' Compensation*.

*The term "entitled to Workers' Compensation" shall also include Workers' Compensation claim settlements that occur via compromise and release. Further, no benefits will be paid under this Policy for any period during which you are entitled to Workers' Compensation benefits.

TERMINATION OF INSURANCE

Your insurance coverage will end on the earliest of these dates: (a) the date you do not meet the Eligibility requirements as defined in the Eligibility paragraph in this brochure; (b) the date you retire; (c) the date you cease to be on Active Employment, except as provided for under the Leave of Absence provision; (d) the end of the last period for which premium has been paid; (e) the date the Policy is discontinued; or (f) the date your employment terminates.

If: your coverage ends as a result of your termination of Active Employment; such termination is caused by an Injury or Sickness for which Disability Benefits would be payable; and Disability is established prior to the termination of Active Employment,

then: Disability Benefits will be paid as if such termination had not occurred.

Termination of the Policy will have no effect on Disability Payments which began before termination. We may end your coverage if you submit a fraudulent claim. Your coverage can be terminated or premiums may be increased on any premium due date with 31 days advance notice.

LEAVE OF ABSENCE

Your coverage may be continued for up to 1 year during a Leave of Absence approved in writing by your Employer.

PRE EXISTING CONDITION LIMITATION

No Disability Benefit will be payable if Disability is caused by or resulting from a Pre-Existing Condition and begins before you have been continuously covered under the Policy for 12 months. This provision will not apply if you have gone treatment-free, incurred no expense, taken no medication, and received no diagnosis or advice from a Physician, for 12 consecutive months for such condition(s).

This limitation will not apply to a Disability resulting from a Pre-Existing Condition that begins after you have been continuously covered under the Policy for 12 months.

DEFINITIONS

ACTIVE EMPLOYMENT: Means you are doing in the usual manner all of the regular duties of your employment on a full-time basis on a scheduled work day and these duties are being done at one of the places of business where you normally do such duties or at some location to which your employment sends you. You will be said to be on Active Employment on a day which is not a scheduled work day only if you are not Disabled and would be able to perform in the usual manner all the regular duties of your employment if it were a scheduled work day.

DISABILITY: Disability means that the Insured is unable to perform with reasonable continuity the material and substantial duties of his or her occupation in the usual and customary way.

DISABILITY EARNINGS: Means the gross monthly earnings you receive while Disabled and working.

DISABILITY PAYMENT: Means your Disability Benefit minus Deductible Sources of Income.

ELIGIBLE SURVIVOR: With regards to the Survivor Benefit, this means your spouse, if living, otherwise your dependent children. Dependent children must be under age 25 and unmarried the day you die. The term dependent children includes a stepchild, adopted child, and foster child. A stepchild or foster child must be dependent on you for support and maintenance.

HOSPITAL: The term "Hospital" shall not include an institution used by you as a place for rehabilitation; a place for rest or for the aged; a nursing or convalescent home; a long-term nursing unit or geriatrics ward; or as an extended care facility for the care of convalescent, rehabilitative or ambulatory patients.

PRE-EXISTING CONDITION: The term "Pre-Existing Condition" means a disease, Injury, Sickness, physical condition or mental illness for which you: had treatment; incurred expense; took medicine; received care or services including diagnostic testing or related measures; or received a diagnosis or advice from a Physician, during the 3-month period immediately before your Effective Date of coverage. The term Pre-Existing Condition will also include conditions which are related to such disease, Injury, Sickness, physical condition or mental illness.

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